



Date: _____ April 3, 2007

Committee Meeting Date: _____ April 19, 2007

Board Meeting Date: _____ May 3, 2007

BOARD MEMORANDUMACTION X DISCUSSION _____ INFO _____

TO: Administration and Finance Committee
 Santa Clara Valley Transportation Authority
 Board of Directors

THROUGH: Michael T. Burns
 General Manager

FROM: Carolyn M. Gonot
 Chief Development Officer

SUBJECT: FY 2006-07 Federal Transit Administration (FTA) Section 5309 Bus/Bus
 Facilities Discretionary Grant Application

RECOMMENDATION:

Authorize the filing of grant applications and execution of grants agreement with the Federal Transit Administration (FTA) for funding under the FY07 Section 5309 (49 USC Section 5309) Bus and Bus-Related Facilities Discretionary Grant Program for the implementation of an Advanced Zero-Emission Bus Demonstration Program.

BACKGROUND:

VTA proposes to apply for FTA FY07 Section 5309 Bus and Bus-Related Facilities Discretionary Grant funds to support the implementation of the Advanced Zero-Emission Bus Demonstration Program. In FY 2007, Congress allocated to FTA approximately \$438 million in discretionary funds for the Bus and Bus Facilities program. The authorizing legislation allows for the Secretary of Transportation to make discretionary awards under this program.

FTA has issued two separate Notices of Funding Availability for discretionary funding in the Bus Program in FY 2007. One notice invites applications to support the Department's Congestion Initiative, in conjunction with the solicitation previously issued by the Department for the Urban Partners program. The second notice invites applications to support additional strategic investments in bus and bus facility projects that represent the highest and best use of the available discretionary funding and respond to specific priorities FTA has identified in this Notice. VTA qualifies as an Urban Partner under the Congestion Initiative and proposes to apply for funds, which would be used to purchase up to four hydrogen fuel-cell buses and a

hydrogen fueling station in order to implement an Advanced Zero-Emission Bus Demonstration Program pursuant to regulations enacted by the California Air Resources Board (CARB).

DISCUSSION:

The FTA Section 5309 Bus and Bus-Related Facilities Discretionary Grant Program provides funds that support VTA’s Advanced Zero-Emission Bus Demonstration Program pursuant to regulations enacted by the California Air Resources Board (CARB). The California Air Resources Board (CARB) regulations require public transit agencies with 200 or more buses to implement an Advanced Zero-Emission Bus Demonstration Program.

Under this program, public transit agencies must purchase a minimum of three advanced zero-emission buses and operate them in revenue service for a minimum of 12 months starting January 2009. The advanced buses are expected to have greatly improved fuel efficiency, availability, reliability, system life, and maintainability over the present-day, high-cost prototype buses. To comply with CARB’s requirements for implementing an Advanced Zero-Emission Bus Demonstration Program, VTA will test hydrogen fuel-cell bus technology in a joint effort with AC Transit, Golden Gate Transit and SamTrans. The public policy benefits of fuel-cell technology include: (a) reducing dependence on fossil fuels; (b) reducing greenhouse gas emissions; (c) improving air quality; and (d) improving community health and quality of life, particularly in densely populated urban areas.

In addition, the Advanced Zero-Emission Bus Demonstration Program is intended to test the viability of emerging clean-fuels technology. If successful, the program will help move this technology closer to becoming commercialized and available to public transit operators across the country.

 **ALTERNATIVES:**

VTA is required to comply with the California Air Resources Board (CARB) requirements through the implementation of an Advanced Zero-Emission Bus Demonstration Program. VTA can fund this program entirely with local funds or seek external funding.

FISCAL IMPACT:

This project will cost approximately \$16,000,000. The funding request could provide up to 80 percent (\$12,800,000) of the funding for the project. However this federal program is a nationwide, highly competitive solicitation and historically, the actual grants amounts awarded to applicants has been much less than the \$12,800,000 requested by VTA. The required local match would be 20 percent of the funding received.



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